

Exhibit 1

DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL

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March 14, 2019

The Hon. John A. Kronstadt, Judge
United States District Court
Central District of California
350 W. First Street
Courtroom 10B
Los Angeles, CA 90012

Re: United States v. Scott Seo and Wilbur M. Salao
Case no. CR18-00625-JAK

Dear Judge Kronstadt:

The California Department of Alcoholic Beverage Control ("ABC") and its licensees have been significantly harmed by the actions of Mr. Seo and Mr. Salao, and the ABC is concerned that unless the Court limits their actions with respect to the ABC and its licensees, those harms will continue. These concerns are not only manifest in the charges to which Mr. Seo and Mr. Salao have pled guilty, but are also based in the origins of the ABC and the unique positions Mr. Seo and Mr. Salao hold in the Korean business community in Los Angeles.

Upon the repeal of Prohibition in 1933, the State of California adopted a framework where all authority to regulate the licensing, manufacture, distribution, retailing, and taxation of alcoholic beverages resided within the State Board of Equalization. In the early 1950's, in the wake of a scandal involving corruption and bribery at that State agency, an amendment to Article XX, Section 22, of the State Constitution established the ABC. The Alcoholic Beverage Tax Program was retained within the Board of Equalization (now the California Department of Tax and Fee Administration) and all other authority for the regulation of alcoholic beverages was given to the newly created ABC.

The history of the alcoholic beverage industry, and this nation's various experiments with its regulation, is replete with stories of organized crime and government corruption. As a consequence, from its first creation, the ABC has been particularly sensitive to the need to regulate this industry in a fair, even-handed, and transparent manner, with service to the People of this State being the highest priority. Virtually all of

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the ABC's employees understand this history and do their jobs with absolute integrity, serving their communities and the entire state by helping get good people into business and removing bad operators from this highly regulated industry.

The actions of Mr. Seo and Mr. Salao, two former employees of the ABC and former co-workers of many current employees, are a stain on the reputation of the ABC and all of its employees. When they worked here, they were both law enforcement officers, entrusted at the highest level to act with fairness, honesty, and integrity. Mr. Salao rose to the level of Supervising Agent in Charge of the ABC's Los Angeles District Office, responsible for managing all licensing and enforcement activities within the Los Angeles-Metro area, including Korea Town. Before leaving the ABC, among other things, Mr. Seo served as a liaison to the Korean business community throughout the state, helping businesses navigate the often complex licensing requirements of the law. It is not uncommon for bars, restaurants, and liquor stores licensed by the ABC to be run by first and second-generation immigrants to this country who often have difficulty communicating due to language barriers, and who are many times suspicious or fearful of government officials.

Mr. Salao took advantage of the authority entrusted to him. Using the power of his position, he was able to manipulate internal procedures of the ABC to hide his illegal scheme. Since Mr. Seo previously worked for the ABC, he also knew what actions the conspirators could get away with without raising red flags and being investigated by the ABC. Further, by disclosing the identities of confidential informants and undercover police officers, they potentially put those people's lives at risk.

If there is a silver lining in this, it is that no other employees of the ABC were aware or involved in their nefarious scheme. Regardless, the ABC's reputation for fairness and integrity has been damaged by their actions. Based upon the information in the indictment, some licensees have been able to get conditions on their licenses removed or modified improperly; others may have had applications delayed or even denied because they were not willing to pay bribes to Mr. Seo and Mr. Salao, potentially resulting in them not being able to get into business or having to incur unnecessary costs to do so; others appear to have been targeted for enforcement actions designed to benefit the conspiracy. The ABC has diverted resources to review the files of licensees potentially impacted by Mr. Salao's and Mr. Seo's scheme to determine whether or not action can or should be taken to address any issues arising from the illegal conduct.

To illustrate the continuing impact of the illegal conduct on the ABC, it has recently been brought to our attention that Mr. Salao continues to hold himself out to the public as a knowledgeable and valued consultant, with ties to the ABC, who can represent licensees and applicants before the ABC. There are no statutes, regulations, or even

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guidelines that govern the activities of consultants or license brokers who interact with the alcohol industry and appear before the ABC. We are concerned that Mr. Salao and Mr. Seo will continue to represent unsuspecting businesses and individuals in the same sorts of matters that formed the bases for the criminal indictment.

For example, attached as Exhibit A is a recent solicitation from Mr. Salao that apparently was sent by him to people who obtained the right to apply for certain types of licenses issued by the ABC (in which a lottery drawing is conducted). Exhibit B includes screenshots from Mr. Salao's currently active website (www.thealcoholindustryexperts.com) that solicit ABC licensees and license applicants, and that highlight Mr. Salao's ABC experience. The ABC is confident that the criminal enterprise was limited to Mr. Salao and Mr. Seo, and that no current employees of the ABC are engaged in such activities. However, the fact that these two individuals may continue to make submissions to the ABC on behalf of licensees or license applicants that the ABC will conduct investigations upon, may give some members of the public the unfortunate impression that they are receiving special treatment and that the corruption exposed continues or is more widespread than thought.

It is respectfully requested that, as part of their sentencing, the Court bar Mr. Salao and Mr. Seo from appearing before the Department of Alcoholic Beverage Control in any capacity and prohibited from representing, advising, or consulting any business or person in connection with any matters, including licensing or enforcement, before ABC.

Thank you for your consideration.

Sincerely,



Matthew D. Botting
General Counsel

Exhibit A



November 5, 2018

Dear Business Owner,

Congratulations on your ranking in ABC's priority drawing! As I'm sure you know, navigating the ABC application process can be very confusing and frustrating. As a 20 year veteran of ABC, I can successfully assist you with this endeavor and truly expedite your ABC application.

My last assignment was as the Supervising Agent in Charge of the ABC LA/Metro District Office, and I was responsible for licensing thousands of businesses in the greater metropolitan area of Los Angeles from 2009 to 2017. For further information please visit my website at www.thealcoholindustryexperts.com or feel free to call me at the number listed below.

I would love to help you get your business up and running!

Sincerely,



Will Salao

562-715-1844

will@thealcoholindustryexperts.com

www.thealcoholindustryexperts.com

Exhibit B



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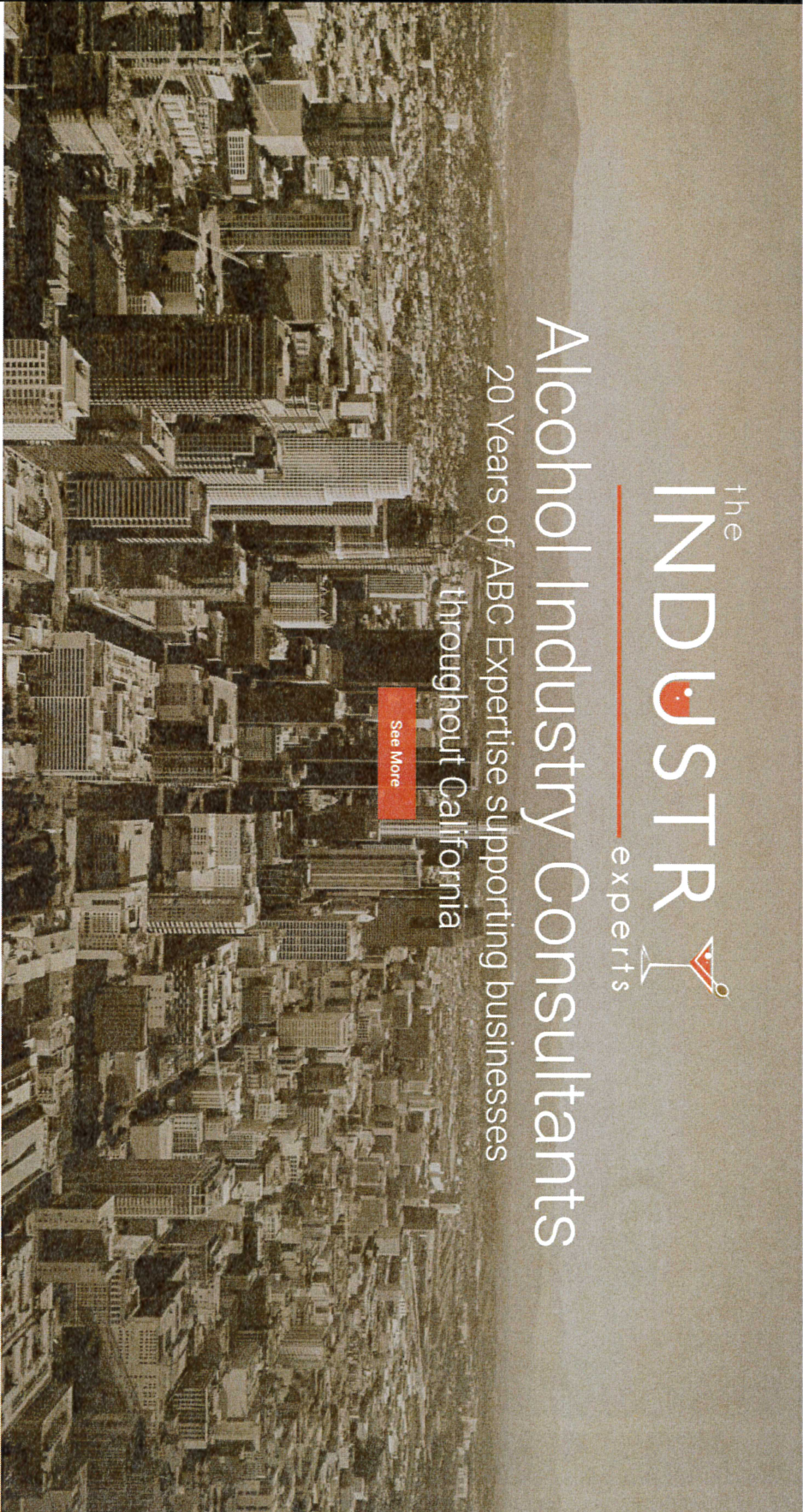
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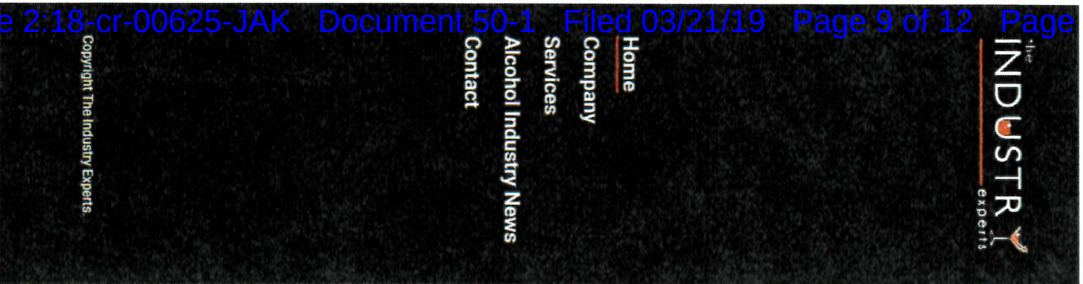


Alcohol Industry Consultants

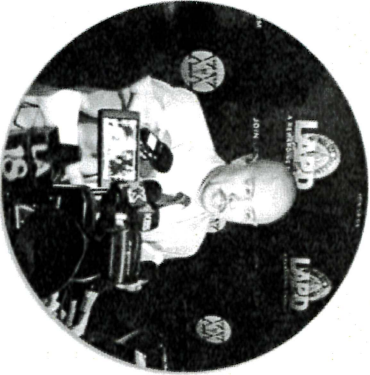
20 Years of ABC Expertise supporting businesses
throughout California

[See More](#)





The Alcohol Industry Experts Founder **Will Salao** has decades of industry experience.



The Alcohol Industry Experts founder **Will Salao** is a former Supervising Agent in charge with the California Department of Alcoholic Beverage Control (ABC). During his twenty year tenure with ABC, Will worked throughout Southern California, helping thousands of business owners through the complicated state licensing process as well as bringing hundreds of disorderly businesses into compliance.

Will's last assignment was commanding the Greater Metropolitan Los Angeles area from 2007 to 2017. As the commander of that office, Will was not only responsible for licensing and policing the tens of thousands of licensees in the area but also for fostering and maintaining excellent relationships with the community, law enforcement, government agencies and elected officials of Los Angeles.

Will has a Bachelor of Science degree in criminal justice from California State University Long Beach, holds advanced leadership and management certificates from The California Commission on Peace Officers Standards and Training, is a certified ABC RBS training provider and also a recognized counterfeit identification expert.

The Alcohol Industry Experts Clients

Will Salao and his consulting firm were able to help streamline the process for my beer and wine application. He is someone you can trust to



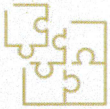
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The Alcohol Industry Experts – Assisting Businesses With All Alcohol Related Needs

Opening a business can be a very stressful experience. The government permitting processes can be aggravating, time-consuming and costly if not done correctly. The Alcohol Industry Experts is the only firm with over 20 years experience in alcoholic beverage licensing and compliance. The founder was a high ranking California Department of Alcoholic Beverage Control official responsible for licensing thousands of businesses and bringing hundreds of disorderly operations into compliance. Let The Alcohol Industry Experts guide you through the convoluted licensing process, set your business on a path to success by ensuring your compliance with state, federal and local laws, and be your ultimate resource for all things alcohol related.

[More About Us](#)



Licensing and Permits

- Expedited ABC Applications
- ABC License Condition Modifications
- Buy & Sell ABC Licenses
- Federal Permitting
- City/County Permits & Zoning



Alcohol Compliance

- Responsible Beverage Server Training
- Alcohol Industry Secret Shopper Programs
- Counterfeit ID Training



Risk Management

- ABC Compliance Inspections & Risk Assessment
- ABC Administrative Hearings
- ABC Violation Resolution
- ABC Expert Witness Testimony



Long Term Relationships

- Community Outreach
- Government Liaison
- Media Relations
- Industry Relations





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Alcoholic Beverage Consulting Services

All your alcohol licensing and compliance needs from start to finish

Licensing and Permits



BUY & SELL ABC LICENSES

As former ABC administrators, The Industry Experts have dealt with each ABC license broker throughout California. The Industry Experts only partners with honest and reputable brokers if you are looking to buy or sell an ABC license.

EXPEDITED ABC APPLICATIONS

As the administrators responsible for approving thousands of ABC licenses over a combined 20 years, The Industry Experts possess the unparalleled expertise to expedite your license application.

ABC LICENSE CONDITION MODIFICATIONS

Does your ABC license or conditional use permit have operating conditions that hinder your business? As former administrators with ABC, The Industry Experts were responsible for approving or denying requests to modify an ABC license's conditions. This unparalleled expertise can guide your request quickly and effectively.

FEDERAL PERMITTING

The Industry Experts provide alcoholic beverage consulting services to guide you through the federal procedures for obtaining TTB licenses for brewing beer, making wine, distilling spirits, rectifying, wholesaling, or brokering. The rules governing these industries along with tied house laws are confusing and arcane. As former ABC administrators, The Industry Experts can help you navigate these processes and get you into business.

CITY/COUNTY PERMITS & ZONING

As former administrators with ABC, The Industry Experts maintained excellent working relationships with local permitting and zoning offices. Through these relationships, The Industry Experts gained the expertise needed to maneuver these processes and expedite applications for permits.

RESPONSIBLE BEVERAGE SERVER TRAINING

The Industry Experts are certified RBS trainers with California ABC. With 20 years of combined experience, this training goes beyond the minimum requirement demanded by ABC. This training is designed to protect you and your business investment.

ALCOHOL INDUSTRY SECRET SHOPPER PROGRAMS

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Risk Management



ABC COMPLIANCE INSPECTIONS & RISK ASSESSMENTS

As former administrators with ABC, The Industry Experts will bring an expertise to your business that no one else can. We will conduct the exact inspections and assessments in your business that ABC and local law enforcement utilizes, solving problems before they jeopardize your business. We specialize in alcoholic beverage consulting services, recognizing and mitigating issues before they cost you time and money.

ABC ADMINISTRATIVE HEARINGS

There is a misconception that a licensee must use an expensive attorney to represent them at an ABC hearing. As former ABC administrators, the Industry Experts were responsible for reviewing violations against a business and deciding if the case warranted criminal prosecution of the persons involved, determined if enough evidence existed to justify an accusation against the licensee and decided on the appropriate ABC penalty. Let The Industry Experts guide your business at an administrative hearing.

ABC VIOLATION RESOLUTION

As former administrators with ABC, The Industry Experts were responsible for reviewing violations against a business and deciding if the case warranted criminal prosecution of the persons involved, determined if enough evidence existed to justify an accusation against the licensee and decided on the appropriate ABC penalty. If your business is facing any of these issues, let The Industry Experts review your case to give you an honest and realistic strategy on how to resolve the matter with minimal impact against your business and to avoid a lengthy and costly administrative hearing.

ABC EXPERT WITNESS TESTIMONY

Forty-five years of ABC Experience at your fingertips. Let us be your subject matter expert in court or quell the concerns of a neighborhood council, a zoning administrator or your local vice unit. Additionally, our expertise in counterfeit IDs can save your business. You can trust in our alcoholic beverage consulting services.

Long Term Relationships



COMMUNITY OUTREACH

As former ABC administrators, The Industry Experts were the face of their jurisdictions. This meant maintaining excellent communication and working relationships with neighborhood councils, community activists and local community members. With 20 years of combined ABC experience, The Industry Experts brings these relationships to your business.

GOVERNMENT RELATIONS

As former ABC administrators, The Industry Experts were the face of their jurisdictions. This meant maintaining excellent working relationships with local law enforcement, city & county officials, and state & federal elected officials. With 20 years of combined ABC experience, The Industry Experts brings these relationships and experience to your business while providing the best alcoholic beverage consulting services.

MEDIA RELATIONSHIPS

How media portrays your business is critical. During his 20 year career with ABC, Will Salao was the media spokesperson for complex ABC licensing and enforcement issues. When your business needs help with the news or social media, Will Salao knows exactly how to craft a media presence to best preserve your business goals.

INDUSTRY RELATIONS

Wholesalers, restaurants, bars, clubs, stores, wineries, breweries, warehousing, fulfillment, import, export or custom brokers. Regardless of your business, The Industry Experts have decades worth of contacts, experience and knowledge to bring together people, business and opportunities.

